

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 5, 2014

Certified Return Receipt 7013 2250 0000 2309 2594

Robert L. Harris 278 West Main P.O. Box 102 Delta, Utah 84624

Subject: Notice of File Closure and Release of Reclamation Surety, Robert L. or Iris H. Harris,

Tetla Septarian Mine, S/025/0006, Kane County, Utah.

Dear Mr. Harris:

The referenced Notice of Intention to Conduct Mining Operations, located in Kane County, Utah, will now be closed and the file retired. The site was inspected on September 24, 2014, and it was determined that reclamation has been satisfactorily completed.

Please find enclosed your original CD Agreement letter and the original reclamation contract for this project for your disposal or records.

Zion's bank is being authorized to release the certificate of deposit (CD) which has been held for the reclamation surety. Unfortunately, the Division of Oil, Gas and Mining could not honor your request to simply transfer the assignment of this CD from the Tetla Septarian mine (S/025/0006) to the Robert Harris ML 26068 mine (S/027/0065), since the CD specifically referenced the Tetla Septarian mine. You will need to have a new CD issued or provide another form of reclamation surety for the trilobite mine, S/027/0065. Please refer to the Division's November 13, 2014, letter for the surety requirement.

The Division hereby releases you from further reclamation responsibilities at the Tetla Septarian Mine. If you wish to conduct any future mining or exploration related activity in that area, you will need to submit a new Notice of Intention and reclamation surety to the Division and gain approval from any other appropriate agencies.



Page 2 Robert L. Harris S/025/0006 January 5, 2014

Please contact Peter Brinton at 801-538-5258 or me at 801-538-5261 if you have any questions or concerns regarding this action. Thank you for your cooperation.

Paul B. Baker

Minerals Program Manager

PBB:lk:pb ENCLOSURE: Original Reclamation Contract, Original CD, Zions Bank letter

cc: Jerry Mansfield, SITLA (jmansfield@Utah.gov)
P:\GROUPS\MINERALS\WP\M025-Kane\S0250006-TetlaSeptarian\final\RETIRE-6384-01052015.doc

FORM MR-RC (SMO) Revised August 9, 2006 RECLAMATION CONTRACT Mine Name Tetla Septarian Mine

Other Agency File Number ML-48588 and ML-41355

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION of OIL, GAS and MINING

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---00000---

RECEIVED APR 1 6 2007

SMALL MINE RECLAMATION CONTRACT

DIV. OF OIL, GAS & MINING

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between *Robert or Iris Harris* the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. *M0250006* which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

- Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
- 2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:



A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private onsite ways, roads, railroads; land excavations; drill sites and

- workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and
- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
- 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as ATTACHMENT A to this Contract.
- 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

- 6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
- 7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
- 8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
- 9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
- 10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
- 11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.



- 12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
- 13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
- 14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
- 15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
- 16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:
Robert Harris aka West Desert Collectors
Operator Name
By <u>Robert Harris</u> Authorized Officer (Typed or Printed) Individual Authorized Officer - Position
Officer's Signature Date
STATE OF <u>Utah</u>) COUNTY OF <u>Millard</u>) ss:
On the 13 day of 000, 2007, Pober + Hams personally appeared before me, who being by me duly sworn did say that ne/she is an 00-0000 (owner, officer, director, partner, agent or other (specify)) of the Operator 00000 (owner, officer, director, partner, agent or other (specify)) of the Operator 00000 (owner, officer, director, partner, agent or other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other (specify)) of the Operator 00000 (owner, officer, director, partner, agent over other 00000 (owner, officer) of the Operator
Notary Public Residing at 235 W. Maun Delta, UT My Commission Expires: LAURA HENDERSON Notary Public State of Utah My Commission Expires Jan. 19, 2011 225 West Main, Delta, UT 84624



DIVISION OF OIL, GAS AND MINING:	
By L Baza, Director	4-/23/07 Date
STATE OF Utah	_j
COUNTY OF Salt Lake	_) ss:)
On the 23 day of April personally appeared before me, who being decomposed is the Direct Department of Natural Resources, State of United the foregoing document by auth	uly sworn did say that he, the said or of the Division of Oil, Gas and Mining, Itah, and he duly acknowledged to me that
////20// My Commission Expires:	PENNY BERRY NOTARY PUBLIC - STATE OF UTAH 1594 W. NORTH TEMPLE, STE 1210 SALT LAKE CITY, UT 84116 My Comm. Exp. 01/11/2011

FACT SHEET

Commodity: SEPTARIAN NODULES Mine Name: TETLA SEPTARIAN MINE

County: Kane

County: Kane
Disturbed Acres: 4.0

Operator Name: Robert Harris aka West Desert Collectors Operator address: 278 West Main #3, Delta, Utah 84624

Operator telephone: 801 864 2175

Contact: Robert Harris Operator email: none

Reclamation surety amount has yet to be determined based on a permit of 4 acres. Operator has a CD with Zions bank that must be re-titled, to name the Division of Oil, Gas and Mining.

Surety Type: Certificate of deposit

Bank Name: Zions Bank Surety Amount: \$2000.00

Account number: 258 908 798 7

Bank Contact: Jay Finlinson

Bank Contact Telephone: 435-864-2001

Escalation year: 2009

0005043 01 AT 0.308 **AUTO T8 0 8317 84624-010202 TD615 MC 0000001 0

Hadadaldaaddaallaaadllaaaddlaaadaall

ROBERT HARRIS
IRIS HARRIS
UTAH TRUST LANDS ADMINISTRATION
PO BOX 102
DELTA UT 84624-0102

- Change will be sent by E Mail

Notice of Interest Credited

Dear Client:

The interest your certificate of deposit earned this period was added to your certificate balance, in accordance with your instructions. For your convenience, information about your certificate is provided below:

Today's Date: 11/16/2006
Certificate Account Number: 958-908798

Interest Earned This Period: 14.36
New Certificate Balance: 2,862.40
Interest Payment Date: 11/21/2006
Previous Certificate Balance: 2,848.04

Interest Rate: 2.000

Last Interest Payment Date: 08/21/2006
Issue/Renewal Date: 11/21/1996
Certificate Term: 08/21/2006

Certificate Term: 024 MONTH
Next Maturity Date: 11/21/2006

We appreciate the opportunity to serve you as a valued customer of Zions Bank. Should you have any questions concerning your account, please contact us at the telephone number listed below.

Sincerely,

ZIONS BANK

DELTA OFFICE 435-864-2779

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DIV. OF OIL, GAS & MINING

0005043 01 AT 0.308 **AUTO T8 0 8317 84624-010202 TD615 MC 0000001 0

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ROBERT HARRIS IRIS HARRIS UTAH TRUST LANDS ADMINISTRATION PO BOX 102 DELTA UT 84624-0102

- Change will be sent by E. Mail

Notice of Interest Credited

Dear Client:

The interest your certificate of deposit earned this period was added to your certificate balance, in accordance with your instructions. For your convenience, information about your certificate is provided below:

Today's Date: 11/16/2006

Interest Earned This Period: 14.36
New Certificate Balance: 2,862.40
Interest Payment Date: 11/21/2006
Previous Certificate Balance: 2,848.04

Interest Rate: 2.000

Last Interest Payment Date: 08/21/2006 Issue/Renewal Date: 11/21/1996 Certificate Term: 08/21/2006

Next Maturity Date: 11/21/2006

We appreciate the opportunity to serve you as a valued customer of Zions Bank. Should you have any questions concerning your account, please contact us at the telephone number listed below.

Sincerely,

ZIONS BANK

DELTA OFFICE 435-864-2779

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DIV. OF OIL, GAS & MINING



West Desert Collectors

278 West Main #3 - Delta, Utah 84624

Phone: (801) 864-2175 Fax: (801) 864-2180

Dept of Natural Resources Deversion of Oil Gast Mining Ms Beth Erickson,

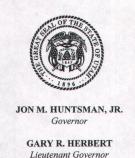
12-4-06 Re ML 41355 ML 48588 ML 26068

Fire had the change from Utah Trust Land to Division of Oil Gas + Minuing muche on the C.Des that have been file - (copies included) - They currently total #10,484,23

The two septavian leases, to the best of my knowledge have been reclaimed and resealed - I don't know if any their is growing yet. I do not plan to do cary mening at this time, but intend to in the sprins at which tenie I would seitmit a mining plan and post surety bond -

The tribolite fassil lease is unlergoing some reclamation at present - I've purchased a track hove and will be able to do on going reclamation: I hope the CD's on file will serve as surety bond for the disturbance at Centelope Spring alvise me if I need to take further action

Best Rejards Sobalf Hanis





MICHAEL R. STYLER Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

May 1, 2007

Mr. Robert Harris 278 West Main Delta, Utah 84624

Subject: Deficient Reclamation Contract and Surety, Robert or Iris Harris, S/025/006, Kane

County, Utah

Dear Mr. Harris:

On April 23, 2007 the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the Tetla Septarian Mine, file number S/025/006. A copy of the executed reclamation contract/surety is enclosed for your records. This action has made it possible for your existing reclamation surety to be in place with the Division, however you should note that there are deficiencies either in your Notice of Intent (NOI) or in your surety/bond amount that need to be rectified.

Right now the amount of surety/bond that is currently posted does not correspond with the information in your NOI. Based on the information in the NOI the amount of disturbance associated with this mine is approximately 4 acres and the corresponding surety amount should be \$17,000 using average cost per acre figures (\$5900 for the first acre and \$3700 for each additional acre).

If your Notice of Intent is not specific as to the area planned for disturbance or if you do not plan on having a disturbance of 4 acres, you may wish to amend the notice to more accurately reflect your plans. At such time as we receive and review an amended NOI we will determine an appropriate reclamation cost based on the new information and notify you of any changes needed to your surety/bond. If you choose not to amend your NOI we will expect the above stated amount to be filed with the Division within 30 days.



Page 2 Robert Harris S/025/0006 May 1, 2007

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Tom Munson at 538-5321. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

DRH:pb

Enc: small mine reclamation contract cc: Beth Ericksen, DOGM Tom Munson, DOGM

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Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

April 10, 2007

Mr. Robert Harris 278 West Main Delta, Utah 84624

Subject: Request for Completed Reclamation Contract, Robert or Iris Harris,

S/025/006, Kane County, Utah

Dear Mr. Harris:

The Division has not received the completed signed and notarized small mine reclamation contract that was mailed to you in December 2006. Please find it enclosed to prompt your response and its return. Currently, the permit is not in compliance with state regulatory requirements.

Failure to furnish and maintain reclamation surety may result in permit withdrawal after notice and opportunity for board hearing, cessation of mining operations, and/or requirement to reclaim all lands affected.

Please direct inquiry and correspondence to Minerals Surety Coordinator, Ms. Beth Ericksen, (801) 538-5318 or bethericksen@utah.gov.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

SMW:BE:pb #2 fed ex

Enc: small mine reclamation contract

Beth Ericksen, DOGM

Tom Munson, DOGM

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Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

January 25, 2007

Robert L. or Iris H. Harris P.O. Box 102 Delta, Utah 84624

Subject: Amendment to Notice of Intention to Commence Small Mining Operations,

Robert L. or Iris H. Harris, Tetla Septarian Mine, M0250006, Kane County,

Utah

Dear Mr. Harris:

This letter acknowledges the name change for the Tetla Septarian Mine located in Kane County, Utah. The permit holder for this NOI has been changed from West Desert Collectors to Robert L. or Iris H. Harris.

The Division understands that the ownership of this property has not changed; the name change is simply a formality to allow the State requirements to complete its bonding process.

A copy of the completed form is enclosed for your records. If you have any questions regarding this action please contact me at (801) 538-5258 or Doug Jensen at (801) 538-5382.

Sincerely, Juran M. White

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

SMW:dj:pb

Enclosure: Amended MR-SMO cc: Beth Ericksen. DOGM

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Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR Governor

> GARY R. HERBERT Lieutenant Governor

> > December 15, 2006

Mr. Robert Harris aka West Desert Collectors 278 West Main #3 Delta, Utah 84624

Subject:

Request for Retitling of Certificate of Deposit (CD) in the Amount of \$2,000.00, Robert Harris aka West Desert Collectors, Tetla Septarian Mine, M0250006, Kane County, Utah

Dear Mr. Harris:

In a recent letter to the Division, you indicated the re-titling for the certificate of deposit with Zions Bank was complete. Although the Division appreciates your efforts, the re-titling remains incomplete. The Division requires the completion of a CD letter agreement, an administrative hold letter, and correct titling of the CD. Please have your bank contact Beth Ericksen, Minerals Surety Coordinator, so the re-titling and associated paperwork can be completed. She can be reached by telephone or email, (801) 538–5318 or bethericksen@utah.gov.

Enclosed for your notarized signature is the reclamation contract for a small mine. Once signed, please return the original to the Division, attention: Beth Ericksen.

Division approval of the reclamation surety cannot occur until these final steps are taken and the CD re-titling action is complete. The Division can take no further review action of the reclamation surety documents until the above requirements are addressed. If you have questions about the permit, please contact Mr. Doug Jensen, Reclamation Specialist, (801) 538-5382. He can assist with modifying the permit to reflect actual ground disturbance and determining the required surety amount for this site.

Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Susan M. White

Mine Program Coordinator Minerals Regulatory Program

SMW:BE:be

Enc: small mine reclamation contract completed

Beth Ericksen, DOGM

Doug Jensen, DOGM

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

February 2, 2006 Page 2

In accordance with the MOU and in compliance with the statutory authority of DOGM, SITLA will transfer the above referenced surety to DOGM to be administered by DOGM under their rules. This letter serves as notification of the requirement under your lease to be bonded for reclamation to replace or transfer your surety with DOGM by April 1, 2006. Upon written request and written extension by SITLA additional time for completing this process may be provided. DOGM and SITLA will coordinate their efforts to ease this transition. Questions concerning this process may be directed to Will Stokes at SITLA phone number (801) 538-5153. At DOGM please contact Beth Ericksen at (801) 538-5318. Additional information may be found at the DOGM's website at http://ogm.utah.gov/minerals.

Please be aware that adjustment of the bond amount could also be necessary if it is determined that the current amount is insufficient to cover complete reclamation. You will also need to complete a reclamation contract (form MR-RC) with DOGM to conclude the process. Also, as provided for under the rules governing the management and use of school and institutional trust lands (R850-21-800), and as provide for under Article XII of the mineral lease agreement, the lessee or operator may be required to post a separate performance bond with SITLA to assure compliance with all other remaining terms and conditions of the lease not covered by the bond to be filed with DOGM.

We anticipate that bonding for reclamation will be streamlined and hope you view this change as a positive effort to simplify the process. Thank you for your cooperation.

Sincerely

Tom Faddies

Assistant Director/Minerals